

Energy Optimization PA 295 of 2008

CLEAResult Great Lakes, LLC

Timothy D. Hardesty, Vice President

Michigan Senate Energy & Technology Committee
October 18, 2011

CLEAResult

National Expertise

CLEARasil

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CLEAResult Great Lakes, LLC

- A company with Michigan roots
- Formed in 2009 with minimal staff and a focus on Energy Optimization work on behalf of Michigan utilities
- Offices in Okemos, Detroit, & Marquette
- Grown to 85 staff in several fields (will peak at 105 in 2011 with seasonal demands)
 - Energy engineers
 - Communications/customer service
 - Field technicians
 - Data management
 - Program managers
 - Finance
 - Information technology

Local Job Creation beyond CLEAResult

- 46 Jobs - JACO Environmental
 - Livonia, Grand Rapids, Gaylord
 - 20 appliance recycling technicians
 - 26 appliance collection (ADI)
- 65 Jobs - Franklin Energy
 - East Lansing, Escanaba, Grand Rapids
 - Energy advisors, engineers and program management
- 90 Jobs - Inspired Green
 - Grand Ledge – providing services statewide
 - Energy audits and energy efficiency home retrofits

Local Business Support

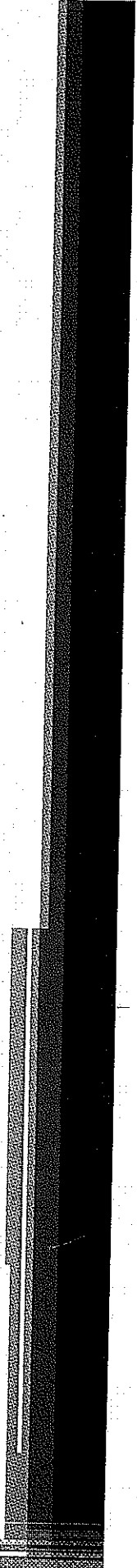
- 747 Trade Allies participating statewide
 - 155 in the Upper Peninsula
 - 369 in the eastern half of Michigan
 - 223 in the western half
- 30 Community Action Agencies & their network of contractors
- Local trade allies are primary delivery channel for program services
 - Insulation contractors
 - Mechanical contractors
 - Construction contractors
 - Electricians

Additional Economic Benefits

- Hire and re-train displaced workers (auto industry, etc.)
- 3 software design firms used in Michigan
- Over 17,000 square feet of office space occupied
- Sponsorship at 18 Home Shows and 29 other community events
- Use local vendors for printing services and office supplies
- Create additional business for retailers who sell energy efficient products

Additional Economic Benefits

- Corporate data center located in Michigan serving programs operating in Michigan, Ohio, Oklahoma, and Texas
- Corporate IT created in Michigan supporting our offices nationwide
- 2 Corporate Executive meetings held in Michigan in 2010, bringing in over 30 people from across the United States
- Twice-monthly Corporate staff visits for training and program support
- Tens of thousands of miles driven with the associated gasoline and vehicle maintenance spending



Economic Impacts of PA 295 Energy Optimization Investments in Michigan

Report is being completed by:
Optimal Energy Inc.
Angelou Economics Inc.

Conclusion

- Energy savings from EO programs:
 - Are cost effective for utilities and their customers
 - Reduce the need to import fossil fuels for electric generation and natural gas distribution
 - Result in increased, in-state economic activity.
- Michigan's Energy Optimization programs create valuable, good paying jobs for Michigan citizens and bring new business into the State.

Energy Optimization

PA 295 of 2008, Section 91

Efficiency United - Independent, Non-Profit Administrator

Sharon L. Theroux, Energy Program Director
Michigan Community Action Agency Association(MCAAA)

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Participating Providers:

Alpena Power Company

Edison Sault (Cloverland Electric Co-op)

Daggett Electric

Bayfield Electric Cooperative

Indiana Michigan Power

Michigan Gas Utilities

SEMCO Energy

Upper Peninsula Power Company

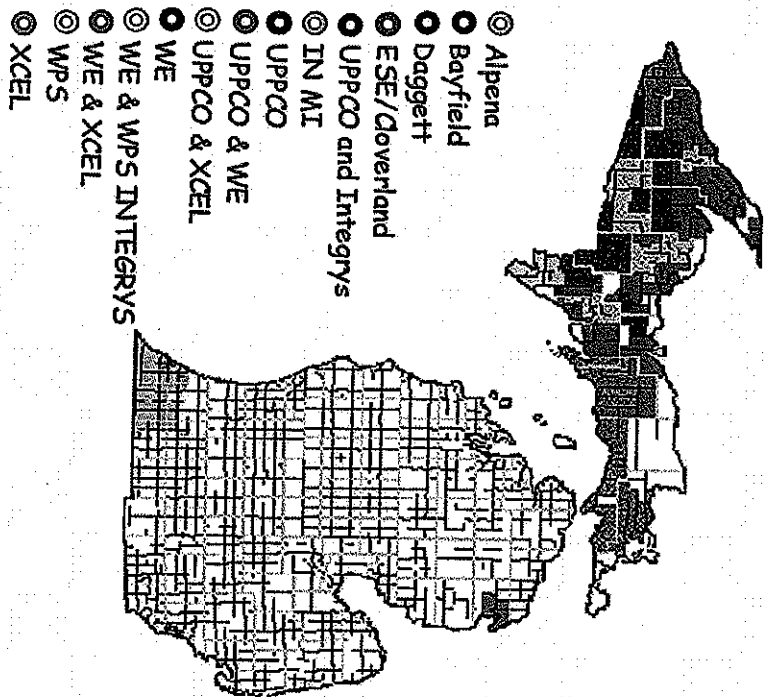
WE Energies

Wisconsin Public Service

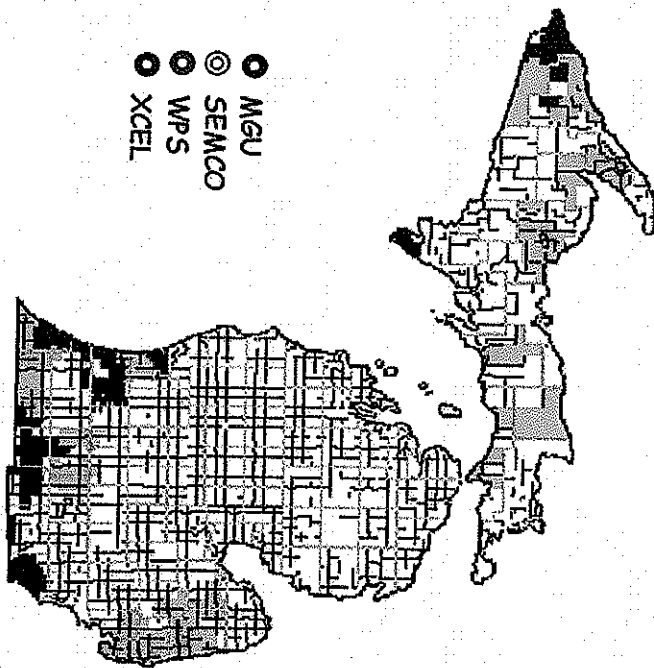
Xcel Energy

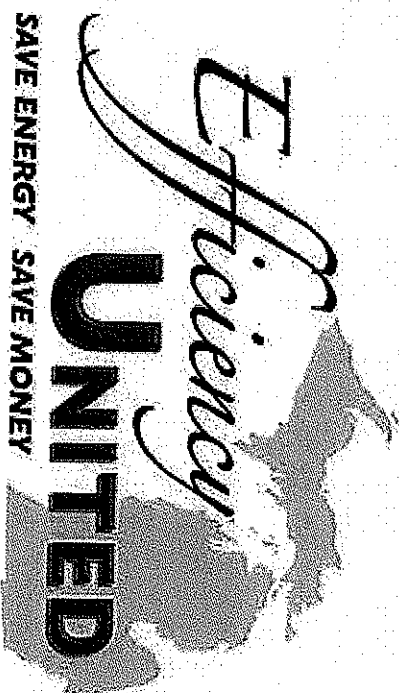


Electric Service Area



Natural Gas Service Area





NEW Providers Joining in 2012:

City of Norway
Village of Baraga
City of Crystal Falls
City of Gladstone
Village of L'Anse
City of Negaunee
Hillsdale Board of Public Utilities
City of South Haven

Benefits of Joining Efficiency United

"As a small utility, Alpena Power Company lacks the staff and funding to implement an in-house conservation program for our customers. Through the monthly energy optimization fees, Alpena Power Company customers are able to access Efficiency United Programs. A local company, Thunder Bay Recreation Center, realized savings that offset the operational challenges they faced."

"The partnership that Indiana Michigan Power has built with the MCAAA through Efficiency United illustrates how agencies, utilities, government and consumers can work together toward the common goals of achieving cost-effective energy efficiency so that consumers can continue to enjoy a standard of living that is possible when there is a reliable, affordable supply of power. I&M applauds MCAAA for its support in advocating energy efficiency for our customers. "

Administration

- 3.7% Prime and Fiduciary
 - Third Party Process & Impact Evaluation
 - Third Party Fiscal Audit & Program Design



2009/2010 Program Results

Customer Impact

- Customers served: 61,748
 - Electric: 47,638
 - Gas: 14,110
- Residential: 61,255
 - Income Qualified Electric: 7,933
 - Income Qualified Gas: 5,106
 - Residential Energy Electric: 39,360
 - Residential Energy Gas: 8,856
- Business/Schools: 493
 - Electric: 345
 - Gas: 148



2009/2010 Program Results

Achievement of Energy Savings Goals

- Electric
 - Total Goal: 63,808,597 kWh
 - Savings Achieved: 66,372,701 kWh
 - **Achieved 104% of Goal**
- Natural Gas
 - Total Goal: 3,096,087 ccf
 - Savings Achieved: 3,803,311 ccf
 - **Achieved 123% of Goal**



2009/2010 Program Results

Economic Impact- Job Creation

MCAAA: 5

CLEARResult: 26

JACO International: 15

Franklin Energy: 8

Inspired Green: 35

KEMA: 3

National Energy Foundation: 2



Efficiency United Program Benefits Realized

Wisconsin Public Service Electric & Gas

Menominee Public Schools, a customer of Wisconsin Public Service, performed boiler replacements through the Efficiency United Program. Erik Bergh, the school's Superintendent, stated that 2 of the 4 boilers are running very well already. The remaining are expected to show their benefits and energy savings in the coming colder months of the year. On an overall basis, Mr. Bergh currently gave the Program a 7 out of 10 (10 being the highest) on overall Program value. However, he expects that their satisfaction will soon jump to 10 out of 10 moving in to the colder months of the year.

Upper Peninsula Power Company

"Representing **NeuPage**, I am pleased with the Efficiency United Program. It has allowed us to do energy improvements throughout our mill, which in turn saves us energy costs plus gave us monetary incentives for the installation of new fixtures and equipment. In a tight economy, this meant a lot to us." -- Bonnie Quinn, Senior Financial Analyst

Indiana Michigan Power & Michigan Gas Utilities

"**Hoffmann Die Cast** loved the Energy Efficiency Program. We do not know why anyone would NOT consider this Program. It is excellent. We even suggested the Program to other companies to participate, and we believe they have. We would definitely consider participating again." -- Michael Oros, President